

FISCAL NOTE

SB 2813 - HB 2698

February 12, 1998

SUMMARY OF BILL: Enacts the *Privatization Contractor Public Accountability Act*. Directs the Comptroller of the Treasury and the Commissioner of Finance and Administration to jointly promulgate rules to promote and encourage a high degree of public scrutiny and accountability for privatization contractors. Such rules shall require vendors who contract with the state to periodically notify the public that: (1) the vendor receives taxpayer funds; (2) the vendor is providing services traditionally provided by state employees; and (3) inappropriate conduct or omission by the vendor can be reported to the Comptroller's 800# hotline. Information regarding meritorious reports of inappropriate conduct by a vendor will be included in the Comptroller's annual report.

Violation of the rules by a privatization contractor shall result in a civil penalty of \$50 per day for each day in violation. Any person who knowingly reports false or frivolous information to the hotline commits a Class C misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures -	Not Significant
Increase State Revenues -	Not Significant
Increase Local Govt. Expenditures -	Not Significant
Increase Local Govt. Revenues -	Not Significant

The increase in state expenditures will be dependent upon the number of reports of inappropriate conduct by a vendor which are received, reviewed and investigated by the Comptroller's office. Since the Comptroller's office already has an investigative unit, it is estimated that such increase in expenditures will not be significant.

The increase in state revenues will be dependent upon the number of persons found to be in violation of the rules and the amount of the civil penalty assessed and collected for each violation.

Local government impact depends upon the number of persons convicted of this offense and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director